

San Bernardino County Fire Protection District

(A Component Unit of the County of San Bernardino)

San Bernardino, California

Annual Financial Report

For the Year Ended June 30, 2018



**San Bernardino County Fire Protection District
Annual Financial Report
For the Year Ended June 30, 2018**

Table of Contents

	<u>Page</u>
Table of Contents	i
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report on the Financial Statements	1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
 Fund Financial Statements:	
Balance Sheet	14
Reconciliation of the Balance Sheets of Governmental Funds to the Government-Wide Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
 Notes to the Basic Financial Statements	 21
 Required Supplementary Information (Unaudited):	
Budgetary Comparison Schedule – General Fund	43
Budgetary Comparison Schedule – Hazardous Materials Fund	44
Budgetary Comparison Schedule – Mountain Regional Service Zone	45
Budgetary Comparison Schedule – North Desert Regional Service Zone	46
Budgetary Comparison Schedule – South Desert Regional Service Zone	47
Budgetary Comparison Schedule – Valley Regional Service Zone	48
Budgetary Comparison Schedule – State Homeland Security Grant Fund	49
Schedule of the District’s Proportionate Share of the Plan’s Net Pension Liability	50
Schedule of the District’s Contributions to the Pension Plan	51

**San Bernardino County Fire Protection District
Annual Financial Report
For the Year Ended June 30, 2018**

Table of Contents (Continued)

	<u>Page</u>
Supplementary Information:	
Combining Balance Sheets – Nonmajor Special Revenue Funds	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Special Revenue Funds	55
Budgetary Comparison Schedule – Office Emergency Services.....	56
Budgetary Comparison Schedule – Household Hazardous Waste	57
Budgetary Comparison Schedule – Community Facilities District 2002-2 Pass Thru.....	58
Other Information (Unaudited):	
Schedule of Revenues, Expenditures, and Changes in Ambulance Activities	60
Schedule of Revenues, Expenditures, and Changes in Special Assessment Taxes Activities.....	62

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of San Bernardino
San Bernardino County Fire Protection District
San Bernardino, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Bernardino County Fire Protection District (the "District"), a component unit of the County of San Bernardino, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and the Schedule of the District's Contributions to the Pension Plan on pages 41 through 49 and 50 to 51, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, the budgetary comparison schedules for the nonmajor special revenue funds, the schedule of revenues, expenditures and changes in ambulance activities by zone, and the schedule of revenues, expenditures and changes in special assessment taxes activities by zone as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the budgetary comparison schedules for the nonmajor special revenue funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the budgetary comparison schedules for the nonmajor special revenue funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedule of revenues, expenditures and changes in ambulance activities and the schedule of revenues, expenditures and changes in special assessment taxes activities have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 21, 2018

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

Board of Supervisors
County of San Bernardino
San Bernardino County Fire Protection District
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Bernardino County Fire Protection District (the "District"), a component unit of the County of San Bernardino as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Board of Supervisors
County of San Bernardino
San Bernardino County Fire Protection District
San Bernardino, California
Page 2

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Per Group, LLP

Santa Ana, California
December 21, 2018

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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San Bernardino County Fire Protection District
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 84,150,175
Taxes and assessments receivable	1,923,115
Accounts receivable, net	508,485
Interest receivable	342,237
Due from other governments	4,043,278
Prepaid expenses	969,512
Total current assets	91,936,802
Non-current assets:	
Capital assets – not being depreciated (Note 4)	6,407,873
Capital assets – being depreciated, net (Note 4)	42,122,026
Total non-current assets	48,529,899
Total assets	140,466,701
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions (Note 7)	113,034,155
Total deferred outflows of resources	113,034,155
LIABILITIES	
Current liabilities:	
Accounts payable	1,684,555
Accrued salaries and benefits	9,186,612
Due to other governments	1,935,118
Advances from others (Note 3)	1,078,444
Accrued interest payable	126,621
Long-term liabilities – due in one year:	
Compensated absences (Note 5)	4,356,836
Loan payable (Note 6)	92,300
Total current liabilities	18,460,486
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (Note 5)	6,535,254
Loan payable (Note 6)	1,769,800
Net pension liability (Note 7)	197,830,431
Total non-current liabilities	206,135,485
Total liabilities	224,595,971
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions (Note 7)	24,319,127
Total deferred inflows of resources	24,319,127
NET POSITION	
Net investment in capital assets (Note 8)	46,667,799
Restricted	44,402,139
Unrestricted (deficit) (Note 9)	(86,484,180)
Total net position	\$ 4,585,758

San Bernardino County Fire Protection District
Statement of Activities
For the Year Ended June 30, 2018

	Governmental Activities
Expenses:	
Public safety – fire protection and emergency services:	
Salaries and benefits	\$ 155,312,527
Materials and services	41,777,864
Intergovernmental (Note 15)	604,904
Depreciation expense	7,587,985
Interest expense	213,989
Total expenses	205,497,269
Program revenues:	
Charges for services	86,786,361
Intergovernmental (Note 15)	25,646,116
Claim cost recoveries	208,663
Operating grants and contributions	9,107,769
Capital grants and contributions	10,940,752
Total program revenues	132,689,661
Loss From Operations	(72,807,608)
General revenues:	
Property taxes	70,240,797
Special assessments	18,265,639
Investment earnings	598,244
Gain from sale of capital assets	278,750
Other revenues	1,414,499
Total general revenues	90,797,929
Change in net position	17,990,321
Net position:	
Beginning of year	(13,404,563)
End of year	\$ 4,585,758

FUND FINANCIAL STATEMENTS

San Bernardino County Fire Protection District
Balance Sheet
Governmental Funds
June 30, 2018

ASSETS	Special Revenue Funds				
	General Fund	Hazardous Materials	Mountain Regional Service Zone	North Desert Regional Service Zone	South Desert Regional Service Zone
Assets:					
Cash and cash equivalents	\$ 30,245,782	\$ 10,235,340	\$ 7,050,972	\$ 10,001,136	\$ 5,462,666
Taxes and assessments receivable	233,365	-	397,325	244,986	258,137
Accounts receivable – net	84,240	75,295	62,199	236,723	50,028
Interest receivable	103,372	42,226	28,394	36,008	24,733
Due from other governments	62,206	-	36,927	929,108	72,834
Prepaid expenses	363,810	-	-	-	605,702
Due from other funds (Note 10)	2,365,251	-	-	32,204	-
Advances to other funds (Note 11)	2,289,214	-	-	-	-
Total assets	\$ 35,747,240	\$ 10,352,861	\$ 7,575,817	\$ 11,480,165	\$ 6,474,100
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,054,392	\$ 22,125	\$ 96,450	\$ 58,126	\$ 68,938
Accrued salaries and benefits	1,252,069	308,479	775,100	2,099,375	765,483
Due to other governments	417,070	5,237	54,643	63,690	37,272
Due to other funds (Note 10)	148,806	155,548	550,000	569,252	550,000
Advances from others (Note 3)	-	9,825	-	-	-
Advances from other funds (Note 11)	-	-	-	-	-
Total liabilities	2,872,337	501,214	1,476,193	2,790,443	1,421,693
Deferred Inflows of Resources:					
Unavailable revenue	29,831	-	-	-	-
Total deferred inflows of resources	29,831	-	-	-	-
Fund Balances: (Note 12)					
Nonspendable	2,653,024	-	-	-	605,702
Restricted	-	9,851,647	6,099,624	8,689,722	4,446,705
Assigned	8,500,000	-	-	-	-
Unassigned (deficit)	21,692,048	-	-	-	-
Total fund balances	32,845,072	9,851,647	6,099,624	8,689,722	5,052,407
Total liabilities, deferred inflows of resources and fund balances	\$ 35,747,240	\$ 10,352,861	\$ 7,575,817	\$ 11,480,165	\$ 6,474,100

San Bernardino County Fire Protection District
Balance Sheets (Continued)
Governmental Funds
June 30, 2018

ASSETS	Special Revenue Funds			
	Valley Regional Service Zone	State Homeland Security Grant	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 19,209,605	\$ 354,074	\$ 1,590,600	\$ 84,150,175
Taxes and assessments receivable	773,735	-	15,567	1,923,115
Accounts receivable – net	-	-	-	508,485
Interest receivable	100,997	955	5,552	342,237
Due from other governments	11,544	2,306,139	624,520	4,043,278
Prepaid expenses	-	-	-	969,512
Due from other funds (Note 10)	-	-	486,749	2,884,204
Advances to other funds (Note 11)	-	-	-	2,289,214
Total assets	\$ 20,095,881	\$ 2,661,168	\$ 2,722,988	\$ 97,110,220
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 201,583	\$ -	\$ 182,941	\$ 1,684,555
Accrued salaries and benefits	3,766,429	-	219,677	9,186,612
Due to other governments	785,515	568,923	2,768	1,935,118
Due to other funds (Note 10)	550,000	360,598	-	2,884,204
Advances from others (Note 3)	1,068,619	-	-	1,078,444
Advances from other funds (Note 11)	-	1,600,000	689,214	2,289,214
Total liabilities	6,372,146	2,529,521	1,094,600	19,058,147
 Deferred Inflows of Resources:				
Unavailable revenue	-	393,857	61,969	485,657
Total deferred inflows of resources	-	393,857	61,969	485,657
 Fund Balances: (Note 12)				
Nonspendable	-	-	-	3,258,726
Restricted	13,723,735	-	1,590,706	44,402,139
Assigned	-	-	-	8,500,000
Unassigned (deficit)	-	(262,210)	(24,287)	21,405,551
Total fund balances	13,723,735	(262,210)	1,566,419	77,566,416
Total liabilities, deferred inflows of resources and fund balances	\$ 20,095,881	\$ 2,661,168	\$ 2,722,988	\$ 97,110,220

San Bernardino County Fire Protection District
Reconciliation of the Balance Sheets of Governmental Funds to the
Government-Wide Statement of Net Position
June 30, 2018

Fund Balances – Governmental Funds	<u>\$ 77,566,416</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Receivables are not available to pay for current period expenditures and, therefore are reported as deferred inflows of resources in the governmental funds.	485,657
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	48,529,899
Deferred outflows of resources related to pensions used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	113,034,155
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Accrued interest payable	(126,621)
Compensated absences	(10,892,090)
Loan payable	(1,862,100)
Net pension liability	(197,830,431)
Deferred inflows of resources related to pensions used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(24,319,127)</u>
Total adjustments	<u>(72,980,658)</u>
Net Position of Governmental Activities	<u><u>\$ 4,585,758</u></u>

San Bernardino County Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds				
	General Fund	Hazardous Materials	Mountain Regional Service Zone	North Desert Regional Service Zone	South Desert Regional Service Zone
REVENUES:					
Property taxes	\$ 9,484,299	\$ -	\$ 13,409,734	\$ 7,808,242	\$ 6,517,007
Special assessments	-	-	746,943	1,236,147	3,057,458
Charges for services	4,791,557	6,690,579	2,322,703	33,311,126	2,704,735
Intergovernmental	5,452,227	12,083	2,439,686	10,582,188	4,718,244
Claim cost recoveries	19,989	82,072	4,300	32,080	27,466
Federal assistance	1,832,806	-	355,856	622,748	800,676
State assistance	570,278	-	-	-	-
Local assistance	-	-	-	-	-
Investment earnings	199,387	84,693	48,084	55,330	39,022
Other revenues	371,567	329,454	4,105	60,497	18,587
Total revenues	22,722,110	7,198,881	19,331,411	53,708,358	17,883,195
EXPENDITURES:					
Current:					
Salaries and benefits	11,805,261	5,499,343	13,156,494	38,416,716	12,230,555
Materials and services	3,972,693	1,904,668	4,207,774	11,025,559	3,791,353
Intergovernmental	54,339	-	-	23,222	28,845
Capital outlay	376,797	42,390	635,202	616,994	604,653
Debt service:					
Principal	-	-	86,800	-	-
Interest	-	-	131,218	-	-
Total expenditures	16,209,090	7,446,401	18,217,488	50,082,491	16,655,406
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,513,020	(247,520)	1,113,923	3,625,867	1,227,789
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of capital assets	105,400	-	57,290	46,800	58,800
Transfers in (Note 13)	1,122,117	577,104	-	1,138,640	2,386,415
Transfers out (Note 13)	(533,846)	(732,652)	(100,725)	(1,326,269)	(2,480,134)
Total other financing sources (uses)	693,671	(155,548)	(43,435)	(140,829)	(34,919)
NET CHANGES IN FUND BALANCES	7,206,691	(403,068)	1,070,488	3,485,038	1,192,870
FUND BALANCES:					
Beginning of year, as reclassified (Note 1)	25,638,381	10,254,715	5,029,136	5,204,684	3,859,537
End of year	<u>\$ 32,845,072</u>	<u>\$ 9,851,647</u>	<u>\$ 6,099,624</u>	<u>\$ 8,689,722</u>	<u>\$ 5,052,407</u>

San Bernardino County Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Valley Regional Service Zone</u>	<u>State Homeland Security Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Property taxes	\$ 33,010,634	\$ -	\$ 10,881	\$ 70,240,797
Special assessments	12,363,284	-	861,807	18,265,639
Charges for services	36,791,084	-	174,577	86,786,361
Intergovernmental	-	-	2,441,688	25,646,116
Claim cost recoveries	42,756	-	-	208,663
Federal assistance	11,544	1,911,810	284,565	5,820,005
State assistance	35	-	200,133	770,446
Local assistance	-	-	2,061,493	2,061,493
Investment earnings	159,688	1,243	10,797	598,244
Other revenues	342,787	-	287,502	1,414,499
Total revenues	<u>82,721,812</u>	<u>1,913,053</u>	<u>6,333,443</u>	<u>211,812,263</u>
EXPENDITURES:				
Current:				
Salaries and benefits	63,243,584	288,686	3,477,223	148,117,862
Materials and services	12,428,479	1,711,294	2,647,717	41,689,537
Intergovernmental	154,051	344,447	-	604,904
Capital outlay	1,487,368	167,647	27,972	3,959,023
Debt service:				
Principal	-	-	-	86,800
Interest	-	-	-	131,218
Total expenditures	<u>77,313,482</u>	<u>2,512,074</u>	<u>6,152,912</u>	<u>194,589,344</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,408,330</u>	<u>(599,021)</u>	<u>180,531</u>	<u>17,222,919</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	46,915	-	1,900	317,105
Transfers in (Note 13)	10,799,332	-	193,669	16,217,277
Transfers out (Note 13)	(11,043,651)	-	-	(16,217,277)
Total other financing sources (uses)	<u>(197,404)</u>	<u>-</u>	<u>195,569</u>	<u>317,105</u>
NET CHANGES IN FUND BALANCES	5,210,926	(599,021)	376,100	17,540,024
FUND BALANCES:				
Beginning of year, as reclassified (Note 1)	8,512,809	336,811	1,190,319	60,026,392
End of year	<u>\$ 13,723,735</u>	<u>\$ (262,210)</u>	<u>\$ 1,566,419</u>	<u>\$ 77,566,416</u>

San Bernardino County Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balances – Governmental Funds \$ 17,540,024

Amounts reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	3,870,696
Depreciation expense	(7,587,985)
Disposal of capital assets.	(38,355)
Annexation of Upland Fire Station - Capital Contributions	10,940,752

Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, those expenses are not reported as expenditures in governmental funds as follows:

Net change in compensated absences	(1,132,984)
Net change in net pension liability and related deferred outflows and inflows of resources	(6,061,681)
Net change in accrued interest payable	(82,771)

Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.	86,800
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	<u>455,825</u>
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Total adjustments	<u><u>450,297</u></u>
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Change in Net Position of Governmental Activities \$ 17,990,321

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San Bernardino County Fire Protection District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The San Bernardino County Fire Protection District (the “District”) is a special district located within the County of San Bernardino (the “County”). The District was established per the San Bernardino County Local Agency Formation Commission (LAFCO) Resolution 2986/2989 (adopted on January 16, 2008), effective July 1, 2008. The Resolution dissolved County Service Area 70, County Fire Administration and transferred all funds to the expanded Yucca Valley Fire Protection District which was renamed in the same resolution that established the District.

The District provides services through administration of four regional service zones and maintains various service contracts. Services provided include fire management, administration, ambulance billing, vehicle maintenance, warehousing, communications, training, fire prevention, hazardous materials, household hazardous waste, information systems, human resources, fiscal and the office of emergency services.

The governmental reporting entity consists of administration, hazardous materials, office of emergency services, and four regional service zones and their related ambulance programs. The District is a component unit of the County and is governed by the Board of Directors who are comprised of the County Board of Supervisors.

The four regional service zones are as follows:

Mountain Regional Service Zone

The Mountain Regional Service Zone provides fire protection services to the areas of Angelus Oaks (Station 98), Fawnskin (Station 96), Forest Falls (Station 99), Green Valley Lake (Station 95), and Lake Arrowhead (Stations 91, 92, 93, 94). This Service Zone supports the eight fire stations' administrative staff and their Limited Term and Paid-Call Firefighter Programs. This Service Zone also provides fire protection services to the former communities within the Crest Forest Fire Protection District through annexation (Stations 24, 25, 26, 28, 29 and 30). Ambulance transportation and paramedic services are also provided to the Crest Forest and Lake Arrowhead communities.

North Desert Regional Service Zone

The North Desert Regional Service Zone provides fire protection services to the areas of Spring Valley Lake (Station 22), Oak Hills (Station 40), Summit Valley (Station 48), Lucerne Valley (Stations 7, 8), Silver Lakes (Station 4), Phelan (Station 10), Wrightwood (Station 14), Pinon Hills (Station 13), El Mirage (Station 11), Baldy Mesa (Station 16), Mt. View Acres (Station 37), Harvard (Station 46), Baker (Station 53), Hinkley (Station 56), and Searles Valley (Station 57). This Service Zone supports the sixteen fire stations' administrative staff and their Limited Term and Paid-Call Firefighter Programs. Ambulance transportation and paramedic services are provided to the communities of Lucerne Valley, Searles Valley and Wrightwood.

South Desert Regional Service Zone

The South Desert Regional Service Zone provides fire protection services to the areas of Big River (Station 17), Black Meadow Landing (Station 55), Havasu Landing (Station 18), Johnson Valley (Station 43), Joshua Tree (Station 36), Landers (Station 19), Needles (Station 32), Panorama Heights (Station 35), Parker Strip (Station 21), and Yucca Valley (Stations 41, 42). This Service Zone supports the twelve fire stations' administrative staff and their Limited Term and Paid-Call Firefighter Programs. Ambulance transportation and paramedic services are provided to the communities of Havasu, and Yucca Valley.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Organization and Operations of the Reporting Entity (Continued)

Valley Regional Service Zone

The Valley Regional Service Zone provides fire protection and paramedic services to the areas of San Bernardino (Stations 221, 222, 224, 225, 226, 227, 228, 229, 231 and 232) Colton, Devore (Station 2), San Antonio Heights (Station 12), Lytle Creek (Station 20), Mt. Baldy (Station 200), Muscoy (Station 75), Bloomington (Station 76), Loma Linda, Grand Terrace (Station 23), Mentone (Station 9), Oak Glen, Upland (Stations 161, 163 and 164) and Highland. This Service Zone supports eight fire stations and two communities contracted to outside agencies, Limited Term and Paid-Call Firefighter Programs.

County-wide

The District contracts with the cities of Adelanto, Victorville, and with the Fire Districts of Hesperia and Fontana, which include provisions for suppression staff, Limited Term Firefighters and administrative staff. Fire, rescue ambulance transportation, and emergency medical services are provided by full-time firefighters, and the Limited Term and Paid-Call Firefighter Programs.

The District also provides the administration and operation of various grants including Homeland Security Grant Programs and Pre-Disaster Mitigation for Wood Roof Replacement Grants.

The accompanying financial statements reflect only the accounts of the San Bernardino County Fire Protection District and are not intended to present the financial position of the County taken as a whole.

Basis of Presentation

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standards setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been identified.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the primary government. The effect of inter-fund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental funds are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. In the fund financial statements, property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. Property taxes are recorded as deferred inflows of resources when not received within sixty days after fiscal year-end. In the government-wide financial statements, property taxes are recorded as revenue when levied regardless of when the cash is collected. Charges for services and interest are accrued when their receipt occurs within sixty days after the end of the accounting period, and recognized as revenue.

The District considers items available if received within nine-months of year end, for voluntary non-exchange transactions such as federal and state grants and government-mandated non-exchange transactions. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

The District reports items as deferred inflows of resources when all eligibility requirements are met except for timing requirements or resources recognized as assets that do not meet the availability criterion for recognition as revenue in governmental funds.

The District reports the following major governmental funds:

Governmental Funds:

General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Hazardous Materials Fund is used to account for all services related to oversight and regulation of commercial hazardous materials and wastes to all businesses in all cities within the County.

Mountain Regional Service Zone is used to provide fire, emergency response, and ambulance service to its designated operational area.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus (Continued)

The District reports the following major governmental funds:

Governmental Funds:

North Desert Regional Service Zone is used to provide fire, emergency response, and ambulance service to its designated operational area.

South Desert Regional Service Zone is used to provide fire, emergency response, and ambulance service to its designated operational area.

Valley Regional Service Zone is used to provide fire, emergency response, and ambulance service to its designated operational area.

State Homeland Security Grant Fund is used to account for State Homeland Security grant transactions.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, and amounts deposited in the San Bernardino County Pool (County Pool). Cash and investments are shown at fair value as of June 30, 2018.

U.S. GAAP, defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the statement of net position and balance sheet, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1 that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Property Taxes and Special Assessments

Secured property taxes and special assessments are levied in two equal installments, November 1 and February 1. They become delinquent with penalties after December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1, the lien date, and become delinquent with penalties after August 31.

Capital Assets

Capital assets, which include property, plant, equipment, and structures and improvements, are reported under the governmental activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (for improvements to land and structures and equipment) and have an estimated useful life in excess of one year. Structures with an initial cost of \$100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value (an entry price) at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Useful Lives
Structures and improvements	5-40 years
Equipment and vehicles	4-15 years

Deferred Outflows/Inflows of Resources

In accordance with U.S. GAAP, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

In subsequent periods, when both revenue recognition criteria (“*measurable*” and “*available*”) are met, or when the District has a legal claim to the resources, the Deferred Inflow is removed from the balance sheet and revenue is recognized.

Compensated Absences

Accumulated vacation, holiday benefits, sick pay and compensatory time off, are recorded as an expense and liability as the benefits are paid on the fund statements but recorded when earned by the employee on the statement of net position. In the event of retirement or termination, an employee is paid 100% of accumulated vacation pay. The District is obligated to pay for a portion or percentage of unused sick leave if an employee works ten or more years continuous District service from date of hire in a regular position and upon retirement, death, or separation.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to pensions, information about the fiduciary net position of the District's San Bernardino County Employees' Retirement Association ("SBCERA") plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

SBCERA

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Measurement period	June 30, 2016 to June 30, 2017

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

Net Position

Net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net amount of assets that are not included in the determination of *restricted* or *net investment in capital assets*.

Stewardship, Compliance and Accountability

In accordance with provisions of Section 29000 - 29143 of the Government code of the State of California, commonly known as the County Budget Act, the District prepares and adopts a budget on or before August 30 for each fiscal year.

Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for fixed assets within each fund.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Stewardship, Compliance and Accountability (Continued)

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Transfers at the sub-object level or cost center level may be done at the discretion of the Special District's Administration Department head. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Fund Balance

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, the following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable Fund Balance: Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash or a spendable form.

Restricted Fund Balance: Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed Fund Balance: Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Directors). The formal action must occur prior to the end of the reporting period, however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board of Supervisors.

Assigned Fund Balance: Amounts are constrained by the government's intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority, i.e. the County Administrative Office. The County Administrative Office will assign fund balance for specific departmental projects through the use of the respective department's general fund savings. Such projects would not normally be feasible for the department without reserving funding over a multiple year period.

Unassigned Fund Balance: The General Fund, as the principal operating fund, often has net resources in excess of what can properly be classified in one of the four categories already described. Therefore, in order to calculate unassigned fund balance, total fund balance less nonspendable, restricted, committed, or assigned equals unassigned fund balance. This amount is available for any purpose and will be placed in either the General Fund – General Purpose, General Fund – Mandatory Contingencies or the General Fund – Uncertainties Contingencies until allocated for a specific purpose by the Board, by a four-fifths vote.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

It is the District's policy to consider committed amounts as being utilized first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Reclassification

Fund balances for General Fund and Other Governmental Funds were reclassified from \$17,138,381 and \$9,690,319 to \$25,638,381 and \$1,190,319, respectively at July 1, 2017 due to the merging of Headquarters Building Capital Projects Fund (An assigned usage by the District) to General Fund.

Accounting Changes

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is not applicable and had no impact on the District's financial statements for the year ended June 30, 2018.

GASB Statement No. 81, *Irrevocable Split-Interest Agreement*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement did not have a significant impact on the District's financial statements for the year ended June 30, 2018.

GASB Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This statement did not have a significant impact on the District's financial statements for the year ended June 30, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues Statement No. 7, Advance Refundings Resulting in Defeasance of Debt*, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. However, in financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance. This statement did not have a significant impact on the District's financial statements for the year ended June 30, 2018.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2018 consisted of the following:

Description	Balance
Cash on hand	\$ 4,355
Cash in financial institutions	88,192
Cash pooled with the County of San Bernardino Treasury	84,057,628
Total cash and cash equivalents	\$ 84,150,175

Cash and cash equivalents include the cash balances of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the District's account based upon the District's average daily deposit balance during the allocation period.

The District pools its cash and investments with the County. The District's portion or share of the County's cash and investment pool is reflected on the balance sheet and statement of net position as cash and cash equivalents. The District has no separate investments in the pool and the District's equity in the cash and investment pool is managed by the County of San Bernardino Treasury. The District is a component unit of the County and is required to participate in the pool.

Custodial Credit Risk

Custodial Credit Risk for Deposits exists when, in the event of a depository financial institution failure, a government may be unable to recover deposits, or recover collateral securities that are in the possession of an outside party. The District does not have a deposit policy for custodial credit risk. However, the *California Government Code* requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018 the book balance of the District's deposit of \$88,192 was entirely insured and collateralized as described above.

San Bernardino County Treasury Pool

California Law and San Bernardino County Treasury Pool Investment Policy (where more restrictive) place limitations on the purchase of investments in the County Pool. The District's investment in the County pool is rated annually and currently has a rating of AAA/V1 from Fitch.

Deposits and withdrawals in the County Treasury are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share of investments in the County Treasury at June 30, 2018 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. At June 30, 2018, the District's balance in the County pool was \$84,057,628.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 3 – Advances from Others

At June 30, 2018, the balance consisted of the following:

Description	Balance
City of San Bernardino fire department workers' compensation claims	\$ 1,068,619
Charges for services	9,825
Total	\$ 1,078,444

On July 1, 2016, the City of San Bernardino Fire Department was annexed into the District. The San Bernardino Local Agency Formation Commission (LAFCO) and the County of San Bernardino required that the City of San Bernardino advance fund \$1,336,587 to the District for the City of San Bernardino Fire Department's workers' compensation self-insurance claims payable balance prior to the July 1, 2016 reorganization date. In 2018, \$363,091 of workers' compensation claims were paid plus a refunding of the account by City of San Bernardino of \$581,161, leaving a balance of \$1,068,619 as of June 30, 2018.

Note 4 – Capital Assets

Changes in capital assets for the year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Contributions	Deletions/ Transfers	Balance June 30, 2018
Non-depreciable capital assets:					
Land	\$ 2,756,877	\$ -	\$ 3,210,369	\$ -	\$ 5,967,246
Construction-in-process	276,021	348,736	-	(184,130)	440,627
Total non-depreciable capital assets	3,032,898	348,736	3,210,369	(184,130)	6,407,873
Depreciable capital assets:					
Improvements to land	2,511,251	-	-	-	2,511,251
Structures and improvements	33,996,481	195,535	7,730,383	(20,000)	41,902,399
Vehicles and heavy equipment	56,489,063	2,785,680	-	(3,135,378)	56,139,365
Equipment	7,107,432	566,475	-	(551,395)	7,122,512
Software	24,500	158,400	-	-	182,900
Total depreciable capital assets	100,128,727	3,706,090	7,730,383	(3,706,773)	107,858,427
Accumulated depreciation:					
Improvements to land	(1,066,789)	(102,902)	-	-	(1,169,691)
Structures and improvements	(13,225,071)	(1,055,972)	(1,831,117)	20,000	(16,092,160)
Vehicles and heavy equipment	(43,414,247)	(4,086,385)	-	3,130,208	(44,370,424)
Equipment	(4,086,227)	(495,769)	-	518,210	(4,063,786)
Software	(24,500)	(15,840)	-	-	(40,340)
Total accumulated depreciation	(61,816,834)	(5,756,868)	(1,831,117)	3,668,418	(65,736,401)
Total depreciable capital assets, net	38,311,893	(2,050,778)	5,899,266	(38,355)	42,122,026
Total capital assets, net	\$ 41,344,791	\$ (1,702,042)	\$ 9,109,635	\$ (222,485)	\$ 48,529,899

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 5 – Compensated Absences

Changes in the compensated absences balance for the year ended June 30, 2018 was as follows:

<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 9,759,106	\$ 7,356,321	\$ (6,223,337)	\$ 10,892,090	\$ 4,356,836	\$ 6,535,254

Note 6 – Loan Payable

Changes in loan payable amounts for the year ended June 30, 2018 were as follows:

<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 1,948,900	\$ -	\$ (86,800)	\$ 1,862,100	\$ 92,300	\$ 1,769,800

The annexation of the Crest Forest Fire Protection District included the assumption of an installment loan with City National Bank. The loan is secured by structures and improvements, bears interest at 5.4% and matures in fiscal year 2031. Principal and interest payments are due on August 1 and February 1. Remaining maturities are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 92,300	\$ 99,325	\$ 191,625
2020	97,900	94,265	192,165
2021	108,500	88,838	197,338
2022	119,100	82,836	201,936
2023	129,700	76,264	205,964
2024-2028	797,100	265,091	1,062,191
2029-2031	517,500	42,915	560,415
Total	<u>\$ 1,862,100</u>	<u>\$ 749,534</u>	<u>\$ 2,611,634</u>

Note 7 – Net Pension Liability and Pension Plan

The District participates in the following County-Wide Retirement Plan. The District contributes to the plan an amount determined by the County.

Plan Description

The County provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (the “Plan”) administered by the San Bernardino County Employees' Retirement Association (“SBCERA”).

The Plan is governed by the SBCERA Board of Retirement (Board) under the provisions of the California County Employees' Retirement Law of 1937 (“CERL”), the California Public Employees' Pension Reform Act of 2013 (“PEPRA”). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401 (a) of the Internal Revenue Code.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 7 – Net Pension Liability and Pension Plan (Continued)

Plan Description (Continued)

SBCERA publishes its own comprehensive annual financial report that includes its financial statements and required supplementary information, which can be obtained by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website www.SBCERA.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular or contract position, whose service is at least fifty percent of the full standard of hours required is a member of SBCERA, and is provided with pension benefits pursuant to Plan requirements. The CBRL and PEPR establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

Description	General - Tier 1	General - Tier 2	Safety - Tier 1	Safety - Tier 2
Final average compensation	Highest 12 consecutive months	Highest 36 consecutive months	Highest 12 consecutive months	Highest 36 consecutive months
Normal retirement age	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70
Early retirement years of service required and/or age eligible:	Age 70 - any years 10 years age 50 30 years any age	Age 70 - any years 5 years age 52 N/A	Age 70 - any years 10 years age 50 20 years any age	Age 70 - any years 5 years age 50 N/A
Benefit percent per year of service for retirement age	At normal retirement age, 2.00% per year of the final average compensation for every year of service credit	At age 67, 2.50% per year of final average compensation for every year of service credit	At normal retirement age, 3.00% per year of the final average compensation for every year of service credit	At age 57, 2.70% per year of final average compensation for every year of service credit
Benefit adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67	Reduced before age 50	Reduced before age 57
Final average compensation limitation	IRS Code 401(a)(17)	Govt Code 7522.10	IRS Code 401(a)(17)	Govt Code 7522.10

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 7 – Net Pension Liability and Pension Plan (Continued)

Benefits Provided (Continued)

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (“CPI”) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to benefits based on the members’ years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454 for participating employers, and Government Code sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article I of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted yearly based on an annual actuarial valuation, which is conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability. Participating employers may pay a portion of the active members' contributions through negotiations and bargaining agreements.

Employee and employer contribution rates for the fiscal year ended June 30, 2018 are as follows:

<u>Description</u>	<u>General - Tier 1</u>	<u>General - Tier 2</u>	<u>Safety - Tier 1</u>	<u>Safety - Tier 2</u>
Employee contribution rates	7.90% to 14.87%	8.45%	10.65% to 17.62%	15.15%
Employer contribution rates	22.41%	19.36%	50.20%	43.21%

For the year ended June 30, 2018, the District's contribution to the Plan of \$27,562,873 equaled the actuarially determined required employer contributions. Employer contributions paid by the employee are classified as employer contributions for purposes of allocating the net pension liability and are included as part of the actuarially determined contribution by the Plan starting the year ended June 30, 2015. Previously, these amounts were excluded from the allocation.

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of \$197,830,431 for its proportionate share of the County’s net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the County’s net pension liability was based on the District’s fiscal year 2017 actual contributions to the County’s pension plan relative to the total contributions of the County as a whole. At June 30, 2017, the District’s proportion was 9.0712 percent, which was increase of 1.5903 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$33,624,554.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 7 – Net Pension Liability and Pension Plan (Continued)

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

At June 30, 2018, the District reported its proportionate share of the County's deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

Type of Account	Balance as of June 30, 2018
Deferred Outflows of Resources:	
Pension contributions subsequent to the measurement date	\$ 27,562,873
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,733,040
Net differences between projected and actual investment earnings on pension plan investments	7,183,024
Changes of assumptions	50,555,218
Total deferred outflows of resources	\$ 113,034,155
Type of Account	Balance as of June 30, 2018
Deferred Inflows of Resources:	
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 3,155,332
Differences between expected and actual experience	21,163,795
Total deferred inflows of resources	\$ 24,319,127

The total amount of \$27,562,873 reported as deferred outflows of resources related to contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The resulting net amount of \$61,152,155 reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Balance
2019	\$ 13,238,027
2020	18,714,201
2021	12,908,885
2022	2,343,230
2023	11,531,705
Thereafter	2,416,107
Total	\$ 61,152,155

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 7 – Net Pension Liability and Pension Plan (Continued)

Actuarial Assumptions

The District's proportion of the County's total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age actuarial cost method
Actuarial Assumptions:	
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Inflation	3.00%
Real across-the-board salary increase	0.50%
Projected salary increases ¹	General: 4.50% to 14.50%; Safety: 4.70% to 14.50%
Cost of living adjustments	2.00% (actual increases contingent upon CPI increases with a 2% maximum)
Administrative expenses	0.70% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.

¹ Includes inflation at 3.00% plus real across-the-board- salary increase of 0.50% plus merit and promotional increases for June 30, 2017 and inflation at 3.25% plus real across-the-board salary increase of 0.50% plus merit and promotional increase for June 30, 2016.

Mortality rates used in the June 30, 2017 actuarial valuation were based on the Headcount-Weighted RP 2014 Healthy Annuitant Mortality Table projected generationally using the two-dimensional mortality improvement scale MP-2016. For healthy General male members, the ages are set forward one year. No adjustment is made for healthy General female members. For all healthy and disabled Safety members, the ages are set back one year. For all General members that are disabled, the ages are set forward seven years. Beneficiaries are assumed to have the same mortality as a General member of the opposite sex who is receiving a service (non-disability) retirement.

The actuarial assumptions used to determine the total pension liability as of June 30, 2017 were based on the results of the June 30, 2017 Actuarial Experience Study, which covered the period from July 1, 2013 through June 30, 2016. They are the same assumptions used in the June 30, 2017 actuarial valuations.

The long-term expected rate of return on the Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 7 – Net Pension Liability and Pension Plan (Continued)

Actuarial Assumptions (Continued)

The June 30, 2017 target allocation (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the table as follows:

<u>Investment Type</u>	<u>Investment Classification</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	Domestic Common and Preferred Stock	8.00%	5.61%
U.S. Small Cap Equity	Domestic Common and Preferred Stock	2.00%	6.37%
Developed International Equity	Foreign Common and Preferred Stock	6.00%	6.96%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	9.28%
U.S. Core Fixed Income	U.S. Government and Agency/ Corporate Bonds	2.00%	1.06%
High Yield /Credit Strategies	Corporate Bonds/Foreign Bonds	13.00%	3.65%
Global Core Fixed Income	Foreign Bonds	1.00%	0.07%
Emerging Market Debt	Emerging Market Debt	6.00%	3.85%
Real Estate	Real Estate	9.00%	4.37%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	-0.17%
International Credit	Foreign Alternatives	11.00%	6.75%
Absolute Return	Domestic Alternatives/Foreign Alternatives	13.00%	3.56%
Other Real Assets	Domestic Alternatives/Foreign Alternatives	5.00%	6.35%
Private Equity	Domestic Alternatives/Foreign Alternatives	16.00%	8.47%
Total		<u>100.00%</u>	

¹ For actuarial purposes, target allocations only change once every three years based on the triennial experience study.

Discount Rate

The discount rate used to measure the Plan's total pension liability was 7.25% for the year ended June 30, 2017. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

San Bernardino County Fire Protection District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 7 – Net Pension Liability and Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the County's net pension liability, calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the County's net pension liability would be if it were calculated using a discount rate that is 1 -percentage-point lower (6.25%) or 1 -percentage-point higher (8.25%) than the current rate:

<u>Description</u>	<u>Discount Rate - 1% 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>Discount Rate + 1% 8.25%</u>
District's proportionate share of the net pension liability	\$ 297,970,683	\$ 197,830,431	\$ 115,462,729

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued SBCERA comprehensive annual financial report.

Note 8 – Net Investment in Capital Assets

Net investment in capital assets as of June 30, 2018 consisted of the following:

<u>Description</u>	<u>Balance</u>
Capital assets – not being depreciated	\$ 6,407,873
Capital assets – being depreciated, net	42,122,026
Loan payable – current portion	(92,300)
Loan payable – noncurrent portion	(1,769,800)
Total net investment in capital assets	<u>\$ 46,667,799</u>

Note 9 – Unrestricted (Deficit) Net Position

As of June 30, 2018, the District has an unrestricted net position deficit of \$(86,484,180). Due to the nature of the deficit from the net pension liability of \$197,830,431, the District will continue to make its annual required contributions to SBCERA and annually review its outstanding net pension obligation funding requirements for future periods to reduce the deficit position.

San Bernardino County Fire Protection District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Due To/From Other Funds

The short-term inter-fund receivables and payables at June 30, 2018 were as follows:

<u>Fund Name</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General	\$ 2,365,251	\$ 148,806
Hazardous materials	-	155,548
Mountain regional service zone	-	550,000
North desert regional service zone	32,204	569,252
South desert regional service zone	-	550,000
Valley regional service zone	-	550,000
State homeland security grant	-	360,598
Other governmental funds	486,749	-
Total	<u>\$ 2,884,204</u>	<u>\$ 2,884,204</u>

The balance of \$2,884,204 of inter-fund receivables and payables represents reimbursements within the funds for shared costs of salaries and benefits, services and supplies occurring due to movement of firefighters between zones, capital assets and/or coverage of a fund's shortfall for operations.

Note 11 – Advances To/From Other Funds

The long-term inter-fund receivables and payables at June 30, 2018 were as follows:

<u>Fund Name</u>	<u>Advances From Other Funds</u>	<u>Advances To Other Funds</u>
General	\$ -	\$ 2,289,214
State homeland security grant	1,600,000	-
Other governmental funds	689,214	-
Total	<u>\$ 2,289,214</u>	<u>\$ 2,289,214</u>

The general fund advanced \$1,600,000 to the State Homeland Security Grant Fund for cash flow purposes until the grant funds are received. Also, the general fund has advanced \$689,214 to the Office of Emergency Services Fund for cash flow purposes until the grant funds are received. Grant funding is normally received within a period of 18-20 months and repaid to the general fund.

San Bernardino County Fire Protection District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 12 – Fund Balance

Fund balance classifications as of June 30, 2018 are as follows:

Description	General Fund	Hazardous Materials	Fire Regional Service Zones	State Homeland Security Grant	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid expenses	\$ 363,810	\$ -	\$ 605,702	\$ -	\$ -	\$ 969,512
Advances to other funds	2,289,214	-	-	-	-	2,289,214
Total nonspendable	<u>2,653,024</u>	<u>-</u>	<u>605,702</u>	<u>-</u>	<u>-</u>	<u>3,258,726</u>
Restricted:						
Hazardous materials	-	9,851,647	-	-	-	9,851,647
Fire protection	-	-	32,959,786	-	-	32,959,786
Household hazardous waste	-	-	-	-	1,585,753	1,585,753
CFD 2002-2 pass thru	-	-	-	-	4,953	4,953
Total restricted	<u>-</u>	<u>9,851,647</u>	<u>32,959,786</u>	<u>-</u>	<u>1,590,706</u>	<u>44,402,139</u>
Assigned:						
Headquarters building	8,500,000	-	-	-	-	8,500,000
Unassigned						
	<u>21,692,048</u>	<u>-</u>	<u>-</u>	<u>(262,210)</u>	<u>(24,287)</u>	<u>21,405,551</u>
Total fund balances	<u>\$ 32,845,072</u>	<u>\$ 9,851,647</u>	<u>\$ 33,565,488</u>	<u>\$ (262,210)</u>	<u>\$ 1,566,419</u>	<u>\$ 77,566,416</u>

Note 13 – Transfers In/Out

Inter-fund transfers are transactions used to close out a fund, reimburse an operating fund, and transfer cash between operating funds and capital projects funds. For the year ended June 30, 2018, the District made the following inter-fund transfers in and out.

Fund Name	Transfers In	Transfers Out
General	\$ 1,122,117	\$ 533,846
Hazardous materials	577,104	732,652
Mountain regional service zone	-	100,725
North desert regional service zone	1,138,640	1,326,269
South desert regional service zone	2,386,415	2,480,134
Valley regional service zone	10,799,332	11,043,651
Other governmental funds	193,669	-
Total	<u>\$ 16,217,277</u>	<u>\$ 16,217,277</u>

Note 14 – Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, general liabilities, workers' compensation, injuries to employees and others, and natural disasters. Through the County, internal service funds are utilized where assets are set aside for claim settlements up to certain limits and the County has obtained excess liability coverage through a combination of insurance policies. No claim settlements have exceeded insurance coverage in any of the past three years.

San Bernardino County Fire Protection District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 15 – Related Party Transactions

County Services

The District is a component unit of the County and utilizes County departments, services and employees for District operations. For the fiscal year 2018, the County general fund subsidized the District by \$25,646,116 for its operations, reported as intergovernmental revenue, and the District paid to the County \$604,904 for fleet management and transportation, County Administrative Office services, County treasury functions, facility management, risk management, real estate and surveyor services, land use, and salaries including retirement and workers' compensation programs, among others.

Consolidated Fire Agencies of the East Valley (“CONFIRE”)

Additionally, the District together with five other agencies participates in a joint powers agreement (“JPA”) with the Consolidated Fire Agencies of the East Valley. CONFIRE is governed by its by-laws and has its own board of directors which consists of one representative of the governing board of its member agencies. The member agencies are responsible for providing the funds for CONFIRE's activities in the form of annual member contributions in exchange for a cost effective cooperative program of fire protection and related functions as mutually agreed upon in the said JPA which shall remain in effect unless terminated by unanimous consent of all signatories. Upon termination the non-grant assets including any surplus cash shall be disposed of in proportion to the contributions made and any grant funded asset shall be disposed of in accordance with federal or state regulation, as applicable. The annual contribution of funds is apportioned based on the number of fires in each agency's jurisdiction over the immediate preceding two-year period. During the fiscal year ended June 30, 2018, the District contributed \$9,652,666 to CONFIRE towards its share of funds.

Note 16 – Commitments and Contingencies

As of June 30, 2018, in the opinion of the District administration, there are no outstanding matters which would have a significant effect on the financial position of the District.

Note 17 – Subsequent Events

Annexation of the City of Hesperia Fire Department

Per LAFCO 3218, approval of the City of Hesperia's fire protection and emergency medical services reorganization effective 11/1/2018 to include annexations to the San Bernardino County Fire Protection District, its North Desert Service Zone. The revenue will no longer be paid via contract services and deposited into “Current Services”, but rather will be deposited directly via property tax deposits into the North Desert Regional Service Zone.

Cancellation of Victorville Fire Department Contract

The City of Victorville gave notice to end their contract on 4/1/2018. This will reduce future “current services” revenue through contract payments into the North Desert Regional Service Zone.

FP-5 Service Zone Expansion

In 2018 the Board of Supervisors approved an expansion of the original FP-5 Service Zone (Helendale) to cover the entire district. Special tax revenue will start to be billed to all property owners on the 2019/20 tax rolls.

REQUIRED SUPPLEMENTARY INFORMATION

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San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 9,784,920	\$ 9,784,920	\$ 9,484,299	\$ (300,621)
Charges for services	5,081,458	5,081,458	4,791,557	(289,901)
Intergovernmental	-	-	5,452,227	5,452,227
Claim cost recoveries	2,000	2,000	19,989	17,989
Federal assistance	161,010	465,358	1,832,806	1,367,448
State assistance	98,626	98,626	570,278	471,652
Investment earnings	189,523	189,523	199,387	9,864
Other revenues	11,733	56,501	371,567	315,066
Total revenues	<u>15,329,270</u>	<u>15,678,386</u>	<u>22,722,110</u>	<u>7,043,724</u>
EXPENDITURES:				
Current:				
Salaries and benefits	14,876,735	14,431,885	11,805,261	2,626,624
Materials and services	5,890,059	6,216,197	3,972,693	2,243,504
Intergovernmental	28,924	54,340	54,339	1
Capital outlay	9,235,242	9,727,570	376,797	9,350,773
Total expenditures	<u>30,030,960</u>	<u>30,429,992</u>	<u>16,209,090</u>	<u>14,220,902</u>
REVENUES OVER (UNDER) EXPENDITURES	(14,701,690)	(14,751,606)	6,513,020	21,264,626
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	105,400	(105,400)
Transfers in	7,765,526	7,815,026	1,122,117	(6,692,909)
Transfers out	(1,982,723)	(2,282,223)	(533,846)	1,748,377
Total other financing sources (uses)	<u>5,782,803</u>	<u>5,532,803</u>	<u>693,671</u>	<u>(5,049,932)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (8,918,887)</u>	<u>\$ (9,218,803)</u>	7,206,691	<u>\$ 16,214,694</u>
FUND BALANCE:				
Beginning of year, as reclassified (Note 1)			<u>25,638,381</u>	
End of year			<u>\$ 32,845,072</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Hazardous Materials
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 6,633,440	\$ 6,633,440	\$ 6,690,579	\$ 57,139
Intergovernmental	-	-	12,083	12,083
Claim cost recoveries	101,000	101,000	82,072	(18,928)
Investment earnings	114,164	114,164	84,693	(29,471)
Other revenues	350,100	350,100	329,454	(20,646)
Total revenues	7,198,704	7,198,704	7,198,881	177
EXPENDITURES:				
Current:				
Salaries and benefits	5,625,209	5,625,209	5,499,343	125,866
Materials and services	2,678,559	2,698,559	1,904,668	793,891
Capital outlay	129,000	345,775	42,390	303,385
Total expenditures	8,432,768	8,669,543	7,446,401	1,223,142
REVENUES OVER (UNDER) EXPENDITURES	(1,234,064)	(1,470,839)	(247,520)	1,223,319
OTHER FINANCING SOURCES (USES):				
Transfers in	1,348,228	1,431,603	577,104	(854,499)
Transfers out	(3,080,228)	(3,163,603)	(732,652)	2,430,951
Total other financing sources(uses)	(1,732,000)	(1,732,000)	(155,548)	1,576,452
NET CHANGE IN FUND BALANCE	\$ (2,966,064)	\$ (3,202,839)	(403,068)	\$ 2,799,771
FUND BALANCE:				
Beginning of year			10,254,715	
End of year			<u>\$ 9,851,647</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Mountain Regional Service Zone
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 13,568,175	\$ 13,568,175	\$ 13,409,734	\$ (158,441)
Special assessments	746,071	746,071	746,943	872
Charges for services	1,407,748	1,450,242	2,322,703	872,461
Intergovernmental	-	-	2,439,686	2,439,686
Claim cost recoveries	-	-	4,300	4,300
Federal assistance	313,119	313,119	355,856	42,737
Investment earnings	56,728	56,728	48,084	(8,644)
Other revenues	-	-	4,105	4,105
Total revenues	16,091,841	16,134,335	19,331,411	3,197,076
EXPENDITURES:				
Current:				
Salaries and benefits	13,411,318	13,411,318	13,156,494	254,824
Materials and services	4,898,614	4,931,108	4,207,774	723,334
Capital outlay	3,803,990	4,136,490	635,202	3,501,288
Debt service:				
Principal	86,800	86,800	86,800	-
Interest	17,354	27,354	131,218	(103,864)
Total expenditures	22,218,076	22,593,070	18,217,488	4,375,582
REVENUES OVER (UNDER) EXPENDITURES	(6,126,235)	(6,458,735)	1,113,923	7,572,658
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	57,290	57,290
Transfers in	3,702,356	3,702,356	-	(3,702,356)
Transfers out	(1,161,945)	(1,161,945)	(100,725)	1,061,220
Total other financing sources (uses)	2,540,411	2,540,411	(43,435)	(2,583,846)
NET CHANGE IN FUND BALANCE	\$ (3,585,824)	\$ (3,918,324)	1,070,488	\$ 4,988,812
FUND BALANCE:				
Beginning of year			5,029,136	
End of year			<u>\$ 6,099,624</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – North Desert Regional Service Zone
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 7,580,154	\$ 7,580,154	\$ 7,808,242	\$ 228,088
Special assessments	1,194,938	1,194,938	1,236,147	41,209
Charges for services	29,643,841	31,440,940	33,311,126	1,870,186
Intergovernmental	-	-	10,582,188	10,582,188
Claim cost recoveries	9,328	9,328	32,080	22,752
Federal assistance	540,925	540,925	622,748	81,823
Investment earnings	55,492	55,492	55,330	(162)
Other revenues	43,000	43,000	60,497	17,497
Total revenues	<u>39,067,678</u>	<u>40,864,777</u>	<u>53,708,358</u>	<u>12,843,581</u>
EXPENDITURES:				
Current:				
Salaries and benefits	37,728,243	39,368,348	38,416,716	951,632
Materials and services	11,680,904	11,837,898	11,025,559	812,339
Intergovernmental	25,309	25,309	23,222	2,087
Capital outlay	1,831,319	1,982,641	616,994	1,365,647
Total expenditures	<u>51,265,775</u>	<u>53,214,196</u>	<u>50,082,491</u>	<u>3,131,705</u>
REVENUES OVER (UNDER) EXPENDITURES	(12,198,097)	(12,349,419)	3,625,867	15,975,286
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	46,800	46,800
Transfers in	12,169,828	12,169,828	1,138,640	(11,031,188)
Transfers out	(1,775,269)	(1,775,269)	(1,326,269)	449,000
Total other financing sources (uses)	<u>10,394,559</u>	<u>10,394,559</u>	<u>(140,829)</u>	<u>(10,535,388)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,803,538)</u>	<u>\$ (1,954,860)</u>	3,485,038	<u>\$ 5,439,898</u>
FUND BALANCE:				
Beginning of year			5,204,684	
End of year			<u>\$ 8,689,722</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – South Desert Regional Service Zone
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 6,387,362	\$ 6,387,362	\$ 6,517,007	\$ 129,645
Special assessments	2,741,128	2,741,128	3,057,458	316,330
Charges for services	1,696,055	1,745,418	2,704,735	959,317
Intergovernmental	-	-	4,718,244	4,718,244
Claim cost recoveries	51,500	51,500	27,466	(24,034)
Federal assistance	688,366	688,366	800,676	112,310
Investment earnings	53,512	53,512	39,022	(14,490)
Other revenues	12,428	12,428	18,587	6,159
Total revenues	11,630,351	11,679,714	17,883,195	6,203,481
EXPENDITURES:				
Current:				
Salaries and benefits	12,605,333	12,605,333	12,230,555	374,778
Materials and services	3,930,573	3,964,829	3,791,353	173,476
Intergovernmental	13,739	28,846	28,845	1
Capital outlay	1,362,700	1,362,700	604,653	758,047
Total expenditures	17,912,345	17,961,708	16,655,406	1,306,302
REVENUES OVER (UNDER) EXPENDITURES	(6,281,994)	(6,281,994)	1,227,789	7,509,783
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	58,800	58,800
Transfers in	7,471,159	7,471,159	2,386,415	(5,084,744)
Transfers out	(2,546,634)	(2,546,634)	(2,480,134)	66,500
Total other financing sources(uses)	4,924,525	4,924,525	(34,919)	(4,959,444)
NET CHANGE IN FUND BALANCES	\$ (1,357,469)	\$ (1,357,469)	1,192,870	\$ 2,550,339
FUND BALANCES:				
Beginning of year			3,859,537	
End of year			<u>\$ 5,052,407</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Valley Regional Service Zone
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 42,210,544	\$ 42,210,544	\$ 33,010,634	\$ (9,199,910)
Special assessments	12,073,972	12,073,972	12,363,284	289,312
Charges for services	27,428,867	27,646,511	36,791,084	9,144,573
Claim cost recoveries	-	-	42,756	42,756
Federal assistance	-	-	11,544	11,544
State assistance	-	-	35	35
Investment earnings	127,805	127,805	159,688	31,883
Other revenues	6,062,684	6,062,684	342,787	(5,719,897)
Total revenues	87,903,872	88,121,516	82,721,812	(5,399,704)
EXPENDITURES:				
Current:				
Salaries and benefits	67,529,515	67,962,603	63,243,584	4,719,019
Materials and services	12,208,141	12,541,193	12,428,479	112,714
Intergovernmental	62,548	154,052	154,051	1
Capital outlay	11,116,727	10,786,727	1,487,368	9,299,359
Total expenditures	90,916,931	91,444,575	77,313,482	14,131,093
REVENUES OVER (UNDER) EXPENDITURES	(3,013,059)	(3,323,059)	5,408,330	8,731,389
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	46,915	46,915
Transfers in	8,704,207	12,099,873	10,799,332	(1,300,541)
Transfers out	(8,652,710)	(11,798,376)	(11,043,651)	754,725
Total other financing sources(uses)	51,497	301,497	(197,404)	(498,901)
NET CHANGE IN FUND BALANCES	\$ (2,961,562)	\$ (3,021,562)	5,210,926	\$ 8,232,488
FUND BALANCES:				
Beginning of year			8,512,809	
End of year			<u>\$ 13,723,735</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – State Homeland Security Grant
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Federal assistance	\$ 5,626,126	\$ 5,624,772	\$ 1,911,810	\$ (3,712,962)
Investment earnings	1,697	1,697	1,243	(454)
Total revenues	<u>5,627,823</u>	<u>5,626,469</u>	<u>1,913,053</u>	<u>(3,713,416)</u>
EXPENDITURES:				
Current:				
Salaries and benefits	552,406	887,406	288,686	598,720
Materials and services	3,797,830	3,461,476	1,711,294	1,750,182
Intergovernmental	-	-	344,447	(344,447)
Capital outlay	405,000	405,000	167,647	237,353
Total expenditures	<u>4,755,236</u>	<u>4,753,882</u>	<u>2,512,074</u>	<u>2,241,808</u>
REVENUES OVER (UNDER) EXPENDITURES	872,587	872,587	(599,021)	(1,471,608)
OTHER FINANCING SOURCES (USES):				
Transfers out	(870,890)	(870,890)	-	870,890
Total other financing sources(uses)	<u>(870,890)</u>	<u>(870,890)</u>	<u>-</u>	<u>870,890</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,697</u>	<u>\$ 1,697</u>	(599,021)	<u>\$ (600,718)</u>
FUND BALANCES:				
Beginning of year			<u>336,811</u>	
End of year			<u>\$ (262,210)</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability
For the Year Ended June 30, 2018

Last Ten Fiscal Years

San Bernardino County Employees Retirement Association– Cost Sharing Defined Benefit Plan

Fiscal Year:	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Date:	<u>June 30, 2017¹</u>	<u>June 30, 2016¹</u>	<u>June 30, 2015¹</u>	<u>June 30, 2014¹</u>
District's Proportion of the Net Pension Liability	<u>9.07%</u>	<u>7.48%</u>	<u>7.50%</u>	<u>7.12%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 197,830,431</u>	<u>\$ 153,455,263</u>	<u>\$ 121,705,250</u>	<u>\$ 102,437,673</u>
District's Covered Payroll ²	<u>\$ 57,656,164</u>	<u>\$ 46,035,323</u>	<u>\$ 43,114,236</u>	<u>\$ 40,957,686</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	<u>343.12%</u>	<u>333.34%</u>	<u>282.29%</u>	<u>250.11%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>77.90%</u>	<u>76.86%</u>	<u>80.98%</u>	<u>82.47%</u>

¹ Historical information is presented only for measurement periods for which GASB Statement No. 68 is applicable.

² Covered payroll is the actual amount based on the queries generated from EMACS provided by the San Bernardino County.

Notes to Schedule:

Changes of Assumptions: In 2018, the actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2013 through June 30, 2016. Amount reported in 2018 primarily reflect a decrease of 0.25% for both the investment rate of return and inflation rate, an increase of 0.1% of payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates used in the June 30, 2017 actuarial valuation are based on the Headcount-Weighted RP 2014 Healthy Annuitant Mortality Table rather than on the RP-2000 Combined Healthy Mortality Table, which was used to determine amounts reported prior to 2018.

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Schedule of the District's Contributions to the Pension Plan
For the Year Ended June 30, 2018

Last Ten Fiscal Years

San Bernardino County Employees Retirement Association – Cost Sharing Defined Benefit Plan

Fiscal Year:	<u>2017-18¹</u>	<u>2016-17¹</u>	<u>2015-16¹</u>	<u>2014-15¹</u>
Contractually Required Contribution	\$ 27,562,873	\$ 25,267,220	\$ 19,304,654	\$ 16,151,746
Contribution in Relation to the Contractually Required Contribution	<u>(27,562,873)</u>	<u>(25,267,220)</u>	<u>(19,304,654)</u>	<u>(16,151,746)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 64,246,603</u>	<u>\$ 57,656,164</u>	<u>\$ 46,035,323</u>	<u>\$ 43,114,236</u>
Contributions as a Percentage of Covered Payroll	<u>42.90%</u>	<u>43.82%</u>	<u>41.93%</u>	<u>37.46%</u>

¹ Historical information is presented only for measurement periods for which GASB Statement No. 68 is applicable.

² Covered payroll is the actual amount based on the queries generated from EMACS provided by the San Bernardino County.

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SUPPLEMENTARY INFORMATION

San Bernardino County Fire Protection District
Combining Balance Sheets
Nonmajor Special Revenue Funds
June 30, 2018

	<u>Office of Emergency Services</u>	<u>Household Hazardous Waste</u>	<u>Community Facility District 2002-2 Pass Thru</u>	<u>Total</u>
ASSETS				
Assets:				
Cash and cash equivalents	\$ 301,411	\$ 1,284,487	\$ 4,702	\$ 1,590,600
Interest receivable	1,067	4,234	251	5,552
Taxes receivable	-	15,567	-	15,567
Due from other governments	346,276	278,244	-	624,520
Due from other funds	331,201	155,548	-	486,749
Total assets	<u>\$ 979,955</u>	<u>\$ 1,738,080</u>	<u>\$ 4,953</u>	<u>\$ 2,722,988</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 137,994	\$ 44,947	\$ -	\$ 182,941
Accrued salaries and benefits	121,901	97,776	-	219,677
Due to other governments	2,718	50	-	2,768
Advances from other funds	689,214	-	-	689,214
Total liabilities	<u>951,827</u>	<u>142,773</u>	<u>-</u>	<u>1,094,600</u>
Deferred Inflows of Resources:				
Unavailable revenue	52,415	9,554	-	61,969
Total deferred inflows of resources	<u>52,415</u>	<u>9,554</u>	<u>-</u>	<u>61,969</u>
Fund Balances:				
Restricted	-	1,585,753	4,953	1,590,706
Unassigned (deficit)	(24,287)	-	-	(24,287)
Total fund balance	<u>(24,287)</u>	<u>1,585,753</u>	<u>4,953</u>	<u>1,566,419</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 979,955</u>	<u>\$ 1,738,080</u>	<u>\$ 4,953</u>	<u>\$ 2,722,988</u>

San Bernardino County Fire Protection District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	<u>Office of Emergency Services</u>	<u>Household Hazardous Waste</u>	<u>Community Facility District 2002-2 Pass Thru</u>	<u>Total</u>
REVENUES:				
Property taxes	\$ -	\$ 10,881	\$ -	\$ 10,881
Special assessments	-	576,068	285,739	861,807
Charges for services	5,094	169,483	-	174,577
Intergovernmental	2,441,688	-	-	2,441,688
Federal assistance	284,565	-	-	284,565
State assistance	-	200,133	-	200,133
Local assistance	-	2,061,493	-	2,061,493
Investment earnings	3,094	7,323	380	10,797
Other revenues	13,502	274,000	-	287,502
Total revenues	<u>2,747,943</u>	<u>3,299,381</u>	<u>286,119</u>	<u>6,333,443</u>
EXPENDITURES:				
Current:				
Salaries and benefits	1,804,225	1,673,000	-	3,477,225
Materials and services	998,622	1,350,040	299,053	2,647,715
Capital outlay	19,434	8,538	-	27,972
Total expenditures	<u>2,822,281</u>	<u>3,031,578</u>	<u>299,053</u>	<u>6,152,912</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(74,338)</u>	<u>267,803</u>	<u>(12,934)</u>	<u>180,531</u>
OTHER FINANCING SOURCES(USES):				
Proceeds from sale of capital assets	-	1,900	-	1,900
Transfers in	38,121	155,548	-	193,669
Total other financing sources(uses)	<u>38,121</u>	<u>157,448</u>	<u>-</u>	<u>195,569</u>
NET CHANGES IN FUND BALANCE	<u>(36,217)</u>	<u>425,251</u>	<u>(12,934)</u>	<u>376,100</u>
FUND BALANCE:				
Beginning of year	11,930	1,160,502	17,887	1,190,319
End of year	<u>\$ (24,287)</u>	<u>\$ 1,585,753</u>	<u>\$ 4,953</u>	<u>\$ 1,566,419</u>

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Office of Emergency Services
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 5,094	\$ 5,094
Intergovernmental	-	-	2,441,688	2,441,688
Federal assistance	268,222	368,222	284,565	(83,657)
Investment earnings	5,401	5,401	3,094	(2,307)
Other revenues	6,267	6,267	13,502	7,235
Total revenues	<u>279,890</u>	<u>379,890</u>	<u>2,747,943</u>	<u>2,368,053</u>
EXPENDITURES:				
Current:				
Salaries and benefits	932,812	1,231,225	1,804,225	(573,000)
Materials and services	1,394,989	1,456,991	998,622	458,369
Capital outlay	38,615	135,200	19,434	115,766
Total expenditures	<u>2,366,416</u>	<u>2,823,416</u>	<u>2,822,281</u>	<u>1,135</u>
REVENUES OVER (UNDER) EXPENDITURES	(2,086,526)	(2,443,526)	(74,338)	2,369,188
OTHER FINANCING SOURCES(USES):				
Transfers in	2,084,688	2,441,688	38,121	(2,403,567)
Total other financing sources(uses)	<u>2,084,688</u>	<u>2,441,688</u>	<u>38,121</u>	<u>(2,403,567)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,838)</u>	<u>\$ (1,838)</u>	(36,217)	<u>\$ (34,379)</u>
FUND BALANCES:				
Beginning of year			11,930	
End of year			<u>\$ (24,287)</u>	

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Household Hazardous Waste
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ -	\$ -	\$ 10,881	\$ 10,881
Special assessments	516,384	516,384	576,068	59,684
Charges for services	120,000	120,000	169,483	49,483
State assistance	300,000	300,000	200,133	(99,867)
Local assistance	2,082,947	2,082,947	2,061,493	(21,454)
Investment earnings	7,968	7,968	7,323	(645)
Other revenues	124,000	150,000	274,000	124,000
Total revenues	3,151,299	3,177,299	3,299,381	122,082
EXPENDITURES:				
Current:				
Salaries and benefits	1,853,474	1,853,474	1,673,000	180,474
Materials and services	1,353,776	1,503,776	1,350,040	153,736
Capital outlay	61,000	61,000	8,538	52,462
Total expenditures	3,268,250	3,418,250	3,031,578	386,672
REVENUES OVER (UNDER) EXPENDITURES	(116,951)	(240,951)	267,803	508,754
OTHER FINANCING SOURCES(USES):				
Proceeds from sale of capital assets	-	-	1,900	(1,900)
Transfers in	172,566	172,566	155,548	(17,018)
Total other financing sources (uses)	172,566	172,566	157,448	(18,918)
NET CHANGE IN FUND BALANCE	\$ 55,615	\$ (68,385)	425,251	\$ 489,836
FUND BALANCE:				
Beginning of year			1,160,502	
End of year			<u>\$ 1,585,753</u>	

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Community Facilities District 2002-2 Pass Thru
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 305,000	\$ 305,000	\$ 285,739	\$ (19,261)
Investment earnings	151	151	380	229
Total revenues	305,151	305,151	286,119	(19,032)
EXPENDITURES:				
Current:				
Materials and services	304,500	304,500	299,053	5,447
Total expenditures	304,500	304,500	299,053	5,447
REVENUES OVER (UNDER) EXPENDITURES	651	651	(12,934)	(13,585)
NET CHANGE IN FUND BALANCES	\$ 651	\$ 651	(12,934)	\$ (13,585)
FUND BALANCES:				
Beginning of year			17,887	
End of year			\$ 4,953	

OTHER INFORMATION

San Bernardino County Fire Protection District
Other Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Ambulance Activities
For the Year Ended June 30, 2018

	Mountain Regional Service Zone	North Desert Regional Service Zone			
	Lake Arrowhead Ambulance Activity	Lucerne Valley Ambulance Activity	Searles Valley Ambulance Activity	Wrightwood Ambulance Activity	Baker Ambulance Activity ³
REVENUES:					
Charges for services	\$ 1,790,731	\$ 542,859	\$ 28,719	\$ 1,665,474	\$ 342,174
Charges for services – GEMT ¹	509,180	165,740	14,608	380,836	-
Federal assistance – IGT	355,856	177,928	17,793	427,027	-
Other revenue	117	-	-	1,746	-
Total revenues	<u>2,655,884</u>	<u>886,527</u>	<u>61,120</u>	<u>2,475,083</u>	<u>342,174</u>
EXPENDITURES:					
Current:					
Salaries and benefits	2,563,464	1,182,726	37,209	3,281,570	1,533,640
Materials and services – IGT ²	537,057	212,240	9,966	495,048	-
Materials and services – (Less IGT)	615,514	117,162	16,605	536,206	210,572
Capital outlay	7,839	20,018	-	-	15,322
Total expenditures	<u>3,723,874</u>	<u>1,532,146</u>	<u>63,780</u>	<u>4,312,824</u>	<u>1,759,534</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,067,990)</u>	<u>(645,619)</u>	<u>(2,660)</u>	<u>(1,837,741)</u>	<u>(1,417,360)</u>
OTHER FINANCING SOURCES(USES):					
Transfers in	-	-	-	-	733,775
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733,775</u>
NET CHANGE IN CURRENT YEAR ACTIVITY	<u>\$ (1,067,990)</u>	<u>\$ (645,619)</u>	<u>\$ (2,660)</u>	<u>\$ (1,837,741)</u>	<u>\$ (683,585)</u>

¹GEMT Revenue includes catch up payments from California Dept. of Health Care Services for FY 2013-2014 and FY 2015-2016 as listed below.

GEMT FY2013-2014	26,920	12,384	1,860	32,262	-
GEMT FY2015-2016	78,074	22,287	1,852	53,146	-

²In FY 2017-2018 IGT Funds paid to Molina and IEHP exceeded revenue due to true up of previous year claims.

³Baker Ambulance is contractual assigned from San Bernardino County and not a San Bernardino County Fire Protection District Ambulance Operating Area.

San Bernardino County Fire Protection District
Other Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Ambulance Activities (Continued)
For the Year Ended June 30, 2018

	South Desert Regional Service Zone		
	Havasu Lake Ambulance Activity	Yucca Valley Ambulance Activity	Total
	Activity	Activity	Activity
REVENUES:			
Charges for services	\$ -	\$ 2,160,394	\$ 6,530,351
Charges for services – GEMT ¹	-	498,271	1,568,635
Federal assistance – IGT	-	800,676	1,779,280
Other revenue	-	305	2,168
Total revenues	-	3,459,646	9,880,434
EXPENDITURES:			
Current:			
Salaries and benefits	114,462	3,115,824	11,828,895
Materials and services – IGT ²	-	765,744	2,020,055
Materials and services – (Less IGT)	24,037	433,108	1,953,204
Capital outlay	-	9	43,188
Total expenditures	138,499	4,314,685	15,845,342
REVENUES OVER (UNDER) EXPENDITURES	(138,499)	(855,039)	(5,964,908)
OTHER FINANCING SOURCES(USES):			
Transfers in	-	-	733,775
Total other financing sources(uses)	-	-	733,775
NET CHANGE IN CURRENT YEAR ACTIVITY	\$ (138,499)	\$ (855,039)	\$ (5,231,133)

¹GEMT Revenue includes catch up payments from California Dept. of Health Care Services for FY 2013-2014 and FY 2015-2016 as listed below.

GEMT FY2013-2014	-	59,182	132,609
GEMT FY2015-2016	-	69,776	225,135

²In FY 2017-2018 IGT Funds paid to Molina and IEHP exceeded revenue due to true up of previous year claims.

³Baker Ambulance is contractual assigned from San Bernardino County and not a San Bernardino County Fire Protection District Ambulance Operating Area.

San Bernardino County Fire Protection District
Other Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Special Assessment Taxes Activities
For the Year Ended June 30, 2018

	Mountain Regional Service Zone		North Desert Regional Service Zone			
	PM1 Lake Arrowhead Paramedic	PM4 Crest Forest Paramedic	FP1 Red Mountain	FP2 Windy Acres	FP3 El Mirage	FP5 Helendale / Silver Lake
Revenues:						
Property taxes	\$ 9,101	\$ 15,812	\$ 1,732	\$ 65	\$ 1,225	\$ 37,471
Claim cost recoveries	-	-	-	-	-	318
Special assessments	303,417	443,526	13,060	8,772	30,682	1,146,163
Other revenues	-	-	-	-	-	3,118
Total revenues	<u>312,518</u>	<u>459,338</u>	<u>14,792</u>	<u>8,837</u>	<u>31,907</u>	<u>1,187,070</u>
Expenditures						
Current:						
Salaries and benefits	282,738	496,224	-	-	113,262	2,234,446
Materials and services	72,889	36,398	419,093	417,495	28,873	102,112
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>355,627</u>	<u>532,622</u>	<u>419,093</u>	<u>417,495</u>	<u>142,135</u>	<u>2,336,558</u>
Revenues over (under) expenditures	<u>(43,109)</u>	<u>(73,284)</u>	<u>(404,301)</u>	<u>(408,658)</u>	<u>(110,228)</u>	<u>(1,149,488)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	397,572	397,573	-	1,138,640
Transfers out	-	-	-	-	-	(1,138,640)
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>397,572</u>	<u>397,573</u>	<u>-</u>	<u>-</u>
Net change in current year activity	<u>\$ (43,109)</u>	<u>\$ (73,284)</u>	<u>\$ (6,729)</u>	<u>\$ (11,085)</u>	<u>\$ (110,228)</u>	<u>\$ (1,149,488)</u>

San Bernardino County Fire Protection District

Other Information (Unaudited)

**Schedule of Revenues, Expenditures, and Changes in Special Assessment Taxes Activities (Continued)
For the Year Ended June 30, 2018**

	South Desert Regional Service Zone				Valley Regional Service Zone	
	FP4 Wonder Valley	FP5 Needles	FP5 Twentynine Palms	FP6 Havas Lake	FP5 San Bernardino	CFD 1033 San Bernardino City Verdemont Station
Revenues:						
Property taxes	\$ 11,237	\$ 2,319	\$ 15,740	\$ 2,385	\$ 21,600	\$ -
Claim cost recoveries	480	16,714	1,007	-	2,392	493
Special assessments	159,784	443,467	2,280,885	173,322	7,616,215	1,005,668
Other revenues	30,000	4,702	20,682	-	95,189	2,923
Total revenues	201,501	467,202	2,318,314	175,707	7,735,396	1,009,084
Expenditures						
Current:						
Salaries and benefits	1,188,174	1,864,566	1,761,853	321,723	21,720,929	1,823,267
Materials and services	52,585	108,257	182,582	59,081	1,563,952	150,750
Capital outlay	-	-	-	-	51,104	-
Total expenditures	1,240,759	1,972,823	1,944,435	380,804	23,335,985	1,974,017
Revenues over (under) expenditures	(1,039,258)	(1,505,621)	373,879	(205,097)	(15,600,589)	(964,933)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	328,785	2,057,630	-	7,000,000	855,323
Transfers out	-	(328,785)	(2,057,630)	-	(7,000,000)	(855,323)
Total other financing sources(uses)	-	-	-	-	-	-
Net change in current year activity	\$ (1,039,258)	\$ (1,505,621)	\$ 373,879	\$ (205,097)	\$ (15,600,589)	\$ (964,933)

San Bernardino County Fire Protection District

Other Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Special Assessment Taxes Activities (Continued) For the Year Ended June 30, 2018

Valley Regional Service Zone

	FP5 Upland	CFD 2006-1 A	PM2 Highland	PM3 Yucaipa	Total
Revenues:					
Property taxes	\$ -	\$ 698	\$ 1,300	\$ 30	\$ 120,715
Claim cost recoveries	-	-	-	-	21,404
Special assessments	3,310,111	319,954	103,058	8,277	17,366,361
Other revenues	19,292	-	-	-	175,906
Total revenues	3,329,403	320,652	104,358	8,307	17,684,386
Expenditures					
Current:					
Salaries and benefits	8,633,924	637,906	-	-	41,079,012
Materials and services	677,574	27,578	762	117,577	4,017,558
Capital outlay	215,148	23,335	-	-	289,587
Total expenditures	9,526,646	688,819	762	117,577	45,386,157
Revenues over (under) expenditures	(6,197,243)	(368,167)	103,596	(109,270)	(27,701,771)
OTHER FINANCING SOURCES (USES):					
Transfers in	2,450,941	-	-	-	14,626,464
Transfers out	(2,944,009)	-	-	-	(14,324,387)
Total other financing sources (uses)	(493,068)	-	-	-	302,077
Net change in current year activity	\$ (6,690,311)	\$ (368,167)	\$ 103,596	\$ (109,270)	\$ (27,399,694)